

July 30, 2012

**Natural Gas Trends****Highlights****FERC TO HOST REGIONAL CONFERENCES**

**Five conferences.** During the month of August, the Federal Energy Regulatory Commission's (FERC's) staff will host five regional technical conferences, focusing on coordination between natural gas markets and electricity markets. The conferences are being held as part of FERC Docket No. AD12-12-00, *Coordination Between Natural Gas and Electricity Markets*.



**Central region.** The conference for the Central region will be held **Monday, August 6**, 2012 from 9am to 5:30pm at the: Hilton St. Louis at the Ballpark, 1 South Broadway, St. Louis, MO, 63102.

The conference is open to the public and there is no charge to participate. Participants may register online at: [www.ferc.gov/whats-new/registration/nat-gas-elec-mkts-form.asp](http://www.ferc.gov/whats-new/registration/nat-gas-elec-mkts-form.asp). Those who are unable to attend may opt to listen to a live audiocast available via the *Calendar of Events* at [www.ferc.gov](http://www.ferc.gov).

**Agenda.** The conference has been organized as a round table discussion. Opening remarks will be delivered at 9am. At 9:15am, the FERC staff will deliver its presentation on "Regional Energy Infrastructure." At 9:45am, the 1st Round Table discussion will commence on "**Gas – Electric Scheduling and Market Structure / Rules**." At 1pm, the 2nd Round Table discussion will commence on "**Communications / Coordination / Information Sharing**." At 3pm, the 3rd Round Table discussion will focus on "**Reliability**."

**Presenters.** FERC's list of Round Table presenters is posted on the *Calendar of Events* at [www.ferc.gov](http://www.ferc.gov), as an attachment to the second Supplemental Notice for this event. Among others, presenters include representatives from the Texas Pipeline Association, the Texas Energy Reliability Council, the Public Utility Commission of Texas, ERCOT, and CenterPoint Energy.

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The Railroad Commission of Texas' staff and the Public Utility Commission of Texas' staff co-hosted a similar conference on April 17, 2012, viewable at:

<http://www.texasadmin.com/txrail.shtml>

**Data**

- August Natural Gas Futures Contract (as of Jul 27), NYMEX at Henry Hub closed at \$3.010 per million British thermal units (MMBtu)
- August Light, Sweet Crude Oil Futures Contract (as of Jul 27), NYMEX at Cushing closed at \$90.13 per U.S. oil barrel (Bbl.) or approximately \$14.35 per MMBtu

**Last week: Texas, U.S. CDD higher than normal**

For the week beginning 7/22/12 and ending 7/28/12, cooling degree days (CDD) were higher than normal for Texas and the U.S. For the cooling season (1/1/12 to 12/31/12), cumulative cooling degree days were 22% above normal for Texas and 29% above normal for the U.S.

Source: [www.cpc.ncep.noaa.gov](http://www.cpc.ncep.noaa.gov)

COOLING DEGREE DAYS (CDD)				
City or Region	Total CDD for week ending 7/28/2012	*Week CDD + / - from normal	Year-to-date total CDD	* YTD % +/- from normal
Amarillo	138	+47	1215	60%
Austin	139	-1	1804	13%
DFW	173	27	1904	37%
El Paso	131	+8	1715	28%
Houston	137	+4	2024	28%
SAT	151	+11	2030	23%
Texas**	144	+14	1775	22%
U.S.**	93	+18	860	29%

\* A minus (-) value is cooler than normal; a plus (+) value is warmer than normal. NOAA uses 65° Fahrenheit as the 'normal' basis from which CDD are calculated.  
 \*\* State and U.S. degree days are population-weighted by NOAA.

**Last week: U.S. natural gas storage at 3,189 Bcf**

For the week ending 7/20/12, U.S. working gas in storage rose from 3,163 to 3,189 Bcf, compared to 2,702 Bcf in storage a year ago and compared to an average of 2,754 Bcf in storage during the 5-year period from 2007 to 2011. Working gas in storage in the producing region (which includes Texas) decreased from 1,120 to 1,119 Bcf.

Source: [www.eia.doe.gov](http://www.eia.doe.gov)

U.S. WORKING GAS IN STORAGE				
Region	Week ending 7/20/12	Prior week	One-week change	Current Δ from 5-YR Average (%)
East	1,575	1,555	20	+ 11.9%
West	495	488	7	+ 21.6%
Producing	1,119	1,120	-1	+ 19.3%
Lower 48 Total	3,189	3,163	26	+ 15.8%

Lower 48 states, underground storage, units in billion cubic feet (Bcf)

### Last week: U.S. gas rig count down 13

The gas rig count for the U.S. was down 13 when compared to the prior week and down 372 when compared to 12 months ago. The total rig count for the U.S. was down 11 for the week and up 16 when compared to 12 months ago. The total rig count includes both oil and natural gas rotary rigs.

Source: Baker Hughes

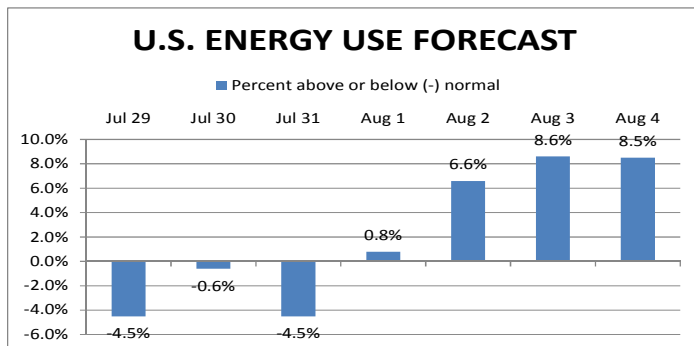
BAKER HUGHES ROTARY RIG COUNT				
	As of 7/27/12	+/- prior week	Year ago	+/- year ago
Texas	904	+4	862	+42
U.S. gas	505	-13	877	-372
U.S. oil	1416	+2	1025	+393
U.S. total	1924	-11	1908	+16
Canada	338	+10	395	-57

Numbers are excerpted and not meant to be totaled

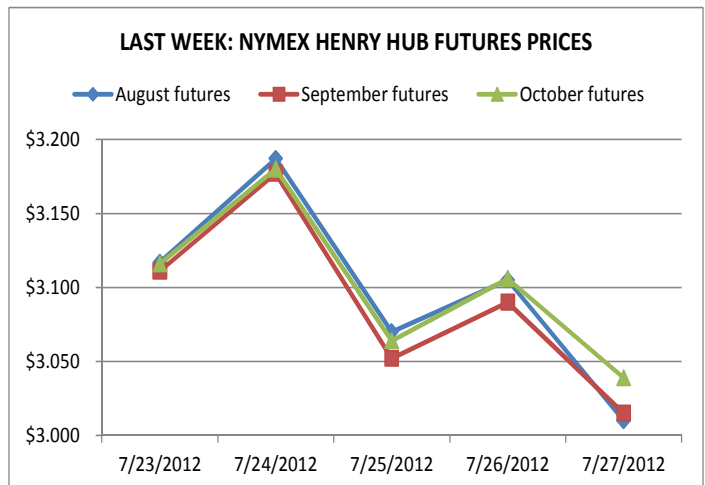
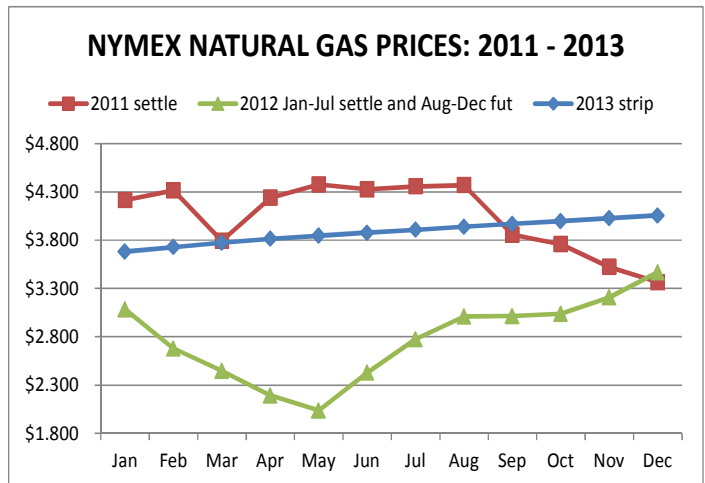
### This week: U.S. energy use lower, then higher

U.S. energy use is forecasted to be lower than normal through Tuesday, then higher than normal, according to the Dominion Energy Index, as shown below. Dominion forecasts total U.S. residential energy usage, a component of which is natural gas.

Source: Dominion Energy Index



**Strip prices.** Natural gas strip prices for 2013, shown below in blue, are the average of daily settlement prices for the next twelve months of natural gas futures contracts.



### NATURAL GAS PRICE SUMMARY AS OF 7/27/2012

	This Week	+/- Last Week	+/- Last Year	12-Month Strip Avg.
US August futures				
NYMEX	\$3.010	\$0.209	-\$1.360	\$3.412

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